

CZECH REPUBLIC

MONTHLY NEWSLETTER

October 2009



Headline News

Saint-Gobain Vertex plans to build a new plant in the Czech Republic

Saint-Gobain Vertex is planning to build a new manufacturing facility for the production and processing of fibreglass and woven textiles. The plant's capacity will total 30 million m² of fibreglass wallpaper and 25 million m² of fibreglass tissue. The firm plans to use 160 employees in four shifts.

Business

Retrim-CZ investing in production of films for laminated glass

The global industrial giant DuPont, owner of Retrim-CZ, has begun construction of a new factory in the Moravian town of Holesov for the production of films for laminated glass. The total investment in the plant, which should begin operation in October 2010, amounts to CZK 238 million and will create 15 new jobs. DuPont, which employs 111 people in the Czech Republic, has been operating

on the domestic market for more than twenty years. In spring this year the company also launched a structural demonstration centre in Prague.

Foxconn plans to expand production in Kutna Hora

The Taiwanese company Foxconn, which currently employs roughly 830 people in the Czech Republic, is planning to build another new production facility in Kutna Hora by May 2010 and create hundreds of new jobs. In order to attract employees, the company is also planning to build also a new city district with flats, a nursery school and a health centre.

GZ Digital Media is the first producer of Blu-ray discs in Central Europe

The first facility for the production of Blu-ray discs in Central Europe will be constructed in Lodenice, near Beroun. The Czech company GZ Digital Media will invest more than CZK 250 million in the purchase of the necessary technology. The company is also

planning to increase existing capacity for pressing DVDs and expanding the production of cases and printed inserts. Around 30 new jobs will be created. Full operation of the plant will start in January 2012 at the latest.

Tauron enters the Czech Republic

The Polish energy group Tauron has announced its entry into the Czech market. It wants to do business both on the wholesale market as well as on the market supplying electricity to end customers. The Czech Republic is the first country into which the group is expanding from Poland.

Poldi Hütte opens a new forge

Poldi Hütte has opened a new forge worth over CZK 750 million in Kladno. The new forge will make it possible to raise the capacity of the steelworks from the current 40,000 tonnes of steel a year to 90,000 tonnes.

Emporia Telecom to enter the Czech market

The Austrian mobile-telephone manufacturer Emporia Telecom has decided to enter the Czech market. The company focuses on telephones for elderly people and plans to sell over 30,000 units within the first year.

R&D

Elmarco begins cooperation with Akron University

The Liberec-based firm Elmarco, which introduced the world's first machine for industrial production of nanofibres, has begun cooperation with Akron University, in the American state of Ohio. Elmarco has thus become a member of a global consortium working on the research and development of effective filters capable of capturing smoke, vapour, mist and aerosols with high concentrations of dangerous substances.

CzechInvest launches incubator for Czech firms in the United States and opens new foreign office

CzechInvest has opened a Technology Accelerator which will allow Czech firms and university initiatives to receive, free of charge, three to six months in one of the world's most highly recognised business incubators, PlugandPlayTechCenter in California. Entrepreneurs will gain easy access to potential strategic partners and first-rate advisors, and they will participate in regularly scheduled networking events

with investors and other people who can help them in their business endeavours. The project is open particularly to concepts from the areas of information and communication technology, biotechnology and clean technology. Besides the Technology Accelerator, CzechInvest's newly opened foreign office will be responsible for attracting new investors to the Czech Republic mainly from the West Coast of the United States. Since its establishment in 1992, CzechInvest has brought to the Czech Republic 138 projects from the United States in the total value of CZK 53.359 billion.

Politics

Czech government approves support for the film industry

The Czech government approved a programme of support for the film industry. The Ministry of Culture has proposed that film producers could ask for the return of up to 20 percent of some of their expenses. The goal is to motivate domestic and foreign filmmakers to invest in the Czech Republic, with the aim of ensuring contracts for companies connected with services and production, while supporting the employment of quality specialists, creation of short-term jobs and all directly connected sectors and professions.

Lisbon Treaty ratified

President Vaclav Klaus signed the Lisbon Treaty after the decision of the Czech Constitutional Court that the treaty is in line with

the Czech constitution. The Czech president was willing to sign the treaty with a promised opt-out from the European Union's Charter of Fundamental Rights.

Infrastructure

Extensive reconstruction of the D1 motorway planned

The Road and Motorways Directorate in Prague has unveiled plans for the extensive renovation of the D1 motorway. Within the year, 160 km of highway should be repaired and widened by one metre. The cost of renovation is estimated at CZK 18 billion.

Other

The Czech Republic copes well with economic recession

According to the latest PricewaterhouseCoopers study the Czech Republic, Slovakia, Slovenia, Poland, and Russia are the pillars of the CEE region and will most effectively cope with the current economic crisis. Despite impressive growth in previous years, Bulgaria, Hungary, Croatia, and Estonia are conversely experiencing pronounced difficulties as a result of the crisis.

Czech companies have a positive view of their future

A recent survey conducted by the Czech Chamber of Commerce shows that the number of Czech companies that have a positive view of their future overall economic situation has increased since

February of this year: 28.5 percent of companies were optimistic, up from 10.2 percent in February, while the number of companies that are pessimistic about the coming months has fallen.

Exchange Rates
Averages for October 2009
EUR 1 = CZK 25.836
GBP 1 = CZK 28.207
USD 1 = CZK 17.435

Sources: Czech National Bank,
Czech AM by Czech Information
Agency, Prague Daily Monitor, Radio
Prague, dailies Hospodarske noviny,
Pravo, MF Dnes and Lidove noviny

www.czechinvest.org
fdi@czechinvest.org